



P e n s i o n C o n s u l t i n g A l l i a n c e , I n c .

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August 18, 2008

Ms. Anne Stausboll
Interim Chief Investment Officer
California Public Employees' Retirement System
400 Q Street
Sacramento, CA 95814

Dear Anne:

Pension Consulting Alliance (PCA) has been asked to opine on Staff's proposed changes to the Alternative Investment Management (AIM) Program's Statement of Investment Policy which is part of the ongoing Policy Review Project.

PCA participated extensively with Staff in adapting existing policy to the template adopted by the Policy Review Project. This resulted in the revised Statement of Investment Policy for AIM. All issues PCA or Staff raised during this process have been addressed in the revised Statement. PCA recommends that the Policy Subcommittee approve the revised Statement of Investment Policy for AIM.

If you have any questions or require anything more, please let us know.

Very truly yours,

Michael J. Moy
Managing Director